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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION**

CISCO SYSTEMS, INC., a California corporation, et al.,

Plaintiffs,

V.

SHAHID H. SHEIKH, an individual, et al.,

Defendants.

Case No. 4:18-cv-7602-YGR

PLAINTIFFS' TRIAL BRIEF ON NON-JURY CLAIMS

Judge: Honorable Yvonne Gonzalez Rogers

Trial Date: January 7, 2021

ADVANCED DIGITAL SOLUTIONS
INTERNATIONAL, INC., a California
corporation,

Third-Party Plaintiff,

V.

NABIA UDDIN, an individual,

Third-Party Defendant.

1 Plaintiffs CISCO SYSTEMS, INC. and CISCO TECHNOLOGY, INC. (collectively
 2 “Cisco”) submit this trial brief as requested by the Court in its Pretrial Order No. 3 (Docket 292)
 3 concerning the elements and anticipated evidence of any claim to be tried by the Court. Further, the
 4 Court requested “a more specific articulation of the remedy requested and describe how the remedy
 5 is not duplicative of the claims being tried to a jury.” If the relief is duplicative, the proponent of
 6 the claim was to “consider whether any of these claims should be dismissed and so advise the
 7 Court.”

8 **I. Cisco’s Claim Under California’s Business & Profession Code § 17200**

9 Cisco’s fourth cause of action in the operative Second Amended Complaint (Docket 79) is
 10 for Defendants’ violation of California’s Business & Profession Code § 17200 (“UCL Claim”).
 11 This case, including the UCL Claim, is centered around Cisco’s allegations that ADSI and the other
 12 defendants purchased and sold counterfeit Cisco products. Accordingly, the basic facts and
 13 evidence of this case will support all of Cisco’s Claims for Relief, including the UCL Claim.
 14 However, the equitable remedies available for the UCL Claim may at this point be lesser than and
 15 duplicative of the legal remedies that Cisco seeks from the jury concerning its Lanham Act
 16 allegations, namely Claims for Relief 1, 2, and 3, and the equitable claim Cisco seeks from the
 17 Court concerning its unjust enrichment claim under the Lanham Act (Claim 5). Given the Court’s
 18 Pretrial Order No. 3, and the strain on the judicial system posed by the COVID-19 pandemic, Cisco
 19 agreed to dismiss Claim for Relief 4 without prejudice in the interest of judicial economy.
 20 Accordingly, the parties, through their counsel, have stipulated to dismiss Claim for Relief 4
 21 without prejudice, pursuant to F.R.C.P. 41(a)(1)(a)(ii), and Cisco filed the stipulated dismissal for
 22 the UCL Claim with the court on November 10, 2020 (Docket 296).

23 **II. Cisco’s Unjust Enrichment Claim**

24 Cisco’s fifth cause of action in the Second Amended Complaint is for unjust enrichment.
 25 See 15 U.S.C. § 1117(a) (providing that a prevailing plaintiff is “entitled, ... subject to the principles
 26 of equity, to recover ... defendant’s profits”). “A claim for disgorgement of profits under § 1117(a)
 27 is equitable, not legal” and “thus does not invoke [the] right to a jury trial.” *JL Beverage Co., LLC*
 28 v. *Jim Beam Brands Co.*, 815 Fed. Appx. 110 (9th Cir. 2020) (citing *Fifty-Six Hope Road Music*,

1 *Ltd. v. A.V.E.L.A., Inc.*, 778 F.3d 1059, 1074-76 (9th Cir. 2015)).

2 Should Cisco prevail on its trademark infringement claim, then it may, “subject to equitable
 3 principles,” seek an award of damages as a remedy. *See Lindy Pen Co. v. Bic Pen Corp.*, 982 F.2d
 4 1400, 1407 (9th Cir. 1993), abrogated on other grounds by *SunEarth, Inc. v. Sun Earth Solar Power*
 5 Co., 839 F.3d 1179 (9th Cir. 2016). “Because proof of actual damage is often difficult, a court may
 6 award damages based on [a] defendant’s profits on the theory of unjust enrichment.” *Id.* Under this
 7 theory of unjust enrichment, Cisco only has “the burden of establishing the defendant’s gross profits
 8 from the infringing activity with reasonable certainty.” Once Cisco meets that burden, Defendants
 9 then “bear[] the burden of showing which, if any, of its total sales are not attributable to the infringing
 10 activity, and, additionally, any permissible deductions for overhead.” *Id.* at 1408; *see LegalForce,*
 11 *Inc. v. LegalZoom.com, Inc.*, No. 18-07274, 2019 WL 2088416, at *3 (N.D. Cal. May 13, 2019).

12 Should the jury find Defendants liable under the Lanham Act, the only issues before the
 13 Court for Claim for Relief 5 will be whether Defendants’ conduct justifies such an award based on
 14 the principles of equity, and if so, the amount of the award. Cisco will accordingly request that the
 15 Court determine the appropriate amount of the award based on 1) the jury’s finding of
 16 infringement; 2) the jury’s finding of Defendants’ willfulness; and 3) the evidence already
 17 presented to the jury by Cisco’s damages expert, Greg Regan, concerning Defendants’ unjust
 18 profits. Cisco does not anticipate that it will introduce incremental evidence to the Court for its
 19 unjust enrichment claim (beyond the evidence already provided to the jury).¹

20 III. The Court’s Determination of Lanham Act Statutory Damages

21 Cisco may elect statutory damages under the Lanham Act, for Defendants’ use of
 22 counterfeit marks, at any time before the Court renders final judgment. 15 U.S.C. § 1117(c). The
 23 Court determines the amount of statutory damages. *Id.* (statutory damages under 15 U.S.C. §

24
 25 ¹ Cisco notes that its unjust enrichment claim is a request for equitable relief from the Court in the
 26 alternative from the legal remedies it seeks based on its Claims for Relief 1, 2 and 3. If the jury
 27 awards damages to Cisco pursuant to its Claims for Relief 1, 2 and 3, or if Cisco elects statutory
 28 damages awarded by the Court pursuant to these Claims, then Cisco will not subsequently pursue
 an unjust enrichment claim before the Court to the extent that the equitable claim would seek a
 remedy duplicative from that already awarded.

1 1117(c) determined “as the Court considers just”); *See Yelp, Inc v. Catron*, 70 F. Supp. 3d 1082,
 2 1101 (N.D. Cal. 2014) (“District courts have discretion in determining the amount of statutory
 3 damages [pursuant to 15 U.S.C. § 1117(c)] subject only to the statutory minimum and maximum”).
 4 Upon a showing of willfulness, the Court may award up to “\$2,000,000 per counterfeit mark per
 5 type of goods or services sold, offered for sale, or distributed, as the court considers just.” 15
 6 U.S.C. § 1117(c)(2).

7 Should the jury find Defendants liable under the Lanham Act, Cisco will request that the
 8 Court determine the amount of statutory damages recoverable under 15 U.S.C. § 1117(c) in order
 9 for Cisco to determine whether it wishes to elect statutory damages. Cisco does not anticipate that
 10 it will introduce incremental evidence to the Court for this determination. Rather, Cisco will refer
 11 to the evidence it already presented to the jury to assert to the Court that Defendants’ infringement
 12 caused Cisco significant harm and was willful. Namely, to assist the Court in its calculation of
 13 statutory damages, Cisco anticipates referring to the existing evidence, including:

14 1. The actual damages found by the jury. *See Adobe Sys. Inc. v. Tilley*, No. C 09-1085
 15 PJH, 2010 WL 309249, at *5 (N.D. Cal. Jan. 19, 2010) (“In determining the appropriate amount of
 16 statutory damages for trademark infringement ... courts in this district have considered whether the
 17 amount of damages bears [a] ‘plausible relationship’ to Plaintiff’s actual damages”);

18 2. The value of Cisco’s trademarks. *See Coach, Inc. v. Diva Shoes & Accessories*, No.
 19 10-5151 SC, 2011 WL 1483436, at *8 (N.D. Cal. Apr. 19, 2011) (“The Coach marks are extremely
 20 valuable because they are affiliated with billions of dollars in sales volume and more than a hundred
 21 million dollars have been expended in advertising and marketing associated with the [Coach
 22 trademarks].”).

23 3. The fact and degree of Defendants’ willfulness arising from their knowledge of the
 24 infringing products, such as from their receipt of the CBP notices and the testimony of the
 25 witnesses at trial. *See Id.* (if defendants continue their infringing conduct after being on notice, then
 26 defendants’ conduct is “undoubtedly willful”).

27 4. Defendants’ lack of cooperation, including the evidence concerning their failure to
 28 produce evidence of voluminous sales records. *See Lifted Research Grp., Inc. v. Salem*, No. C-08-

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1 4497 SC, 2009 WL 1371416, at *5 (N.D. Cal. May 15, 2009) (“[Defendant] has likely sold
2 numerous goods that [Plaintiff] LRG did not have an opportunity to document, and [Defendant]
3 should not profit from the lack of information caused by his refusal to participate in this litigation”);
4 *See also* S. REP. 104-177, 10 (discussing Lanham Act statutory damages) (“[C]ounterfeitors’
5 records are frequently nonexistent, inadequate or deceptively kept in order to willfully deflate the
6 level of counterfeiting activity actually engaged in, making proving actual damages in these cases
7 extremely difficult if not impossible. Enabling trademark owners to elect statutory damages is both
8 necessary and appropriate in light of the deception routinely practiced by counterfeiters. The
9 amounts are appropriate given the extent of damage done to business goodwill by infringement of
10 trademarks.”).

11
12 DATED: November 10, 2020 SIDEMAN & BANCROFT LLP

13 By: /s/ Richard J. Nelson

14 Richard J. Nelson
15 Attorneys for Plaintiffs
16 Cisco Systems, Inc. and Cisco Technology, Inc.

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